

(2) The borrower must pay all interest charges on the loan as required by the lender or holder.

(3) The borrower must immediately notify the lender or holder in writing in the event of:

- (i) Change of address;
- (ii) Change of name;
- (iii) Failure to enroll in a HEAL school for the period for which the loan is intended;
- (iv) Transfer to another school;
- (v) Withdrawal from a HEAL school or change in status to less than full-time attendance at a HEAL school;
- (vi) Graduation;
- (vii) Failure to enter into or interruption in an internship or residency program; or
- (viii) Change of status that authorizes deferment.

(4) The borrower must repay the loan in accordance with the repayment schedule.

(5) A borrower may not have a HEAL loan discharged in bankruptcy during the first 5 years of the repayment period. This prohibition against the discharge of a HEAL loan applies to bankruptcy under *any* chapter of the Bankruptcy Act, including Chapter 13. A borrower may have a HEAL loan discharged in bankruptcy after the first 5 years of the repayment period only upon a finding by the Bankruptcy Court that the non-discharge of such debt would be unconscionable and upon the condition that the Secretary shall not have waived his or her rights to reduce any Federal reimbursements or Federal payments for health services under any Federal law in amounts up to the balance of the loan.

(6) If the borrower fails to make payments on the loan on time, the total amount to be repaid by the borrower may be increased by additional interest, late charges, attorney's fees, court costs, and other collection charges. In addition, the Secretary may offset amounts attributable to an unpaid loan from reimbursements or payment for health services provided under any Federal law to a defaulted borrower practicing his or her profession.

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[48 FR 38988, Aug. 26, 1983, as amended at 52 FR 746, Jan. 8, 1987; 57 FR 28794, June 29, 1992]

## Subpart C—The Loan

### § 60.10 How much can be borrowed?

(a) *Student borrower.* An eligible student may borrow an amount to be used solely for expenses, as described in § 60.5(g), incurred or to be incurred over a period of up to an academic year and disbursed in accordance with § 60.33(f). The maximum amount he or she may receive for that period shall be determined by the school in accordance with § 60.51(f) within the following limitations:

(1) A student enrolled in a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry or podiatric medicine may borrow up to \$80,000 under this part. The amount received may not exceed \$20,000 in any academic year.

(2) A student enrolled in a school of public health, pharmacy, chiropractic, or a graduate program in health administration, clinical psychology, or allied health may borrow up to \$50,000 under this part. The amount received may not exceed \$12,500 per academic year.

(3) For purposes of this paragraph, an academic year means the traditional approximately 9-month September-to-June annual session. For the purpose of computing academic year equivalents for students who, during a 12-month period, attend for a longer period than the traditional academic year, the academic year will be considered to be 9 months in length.

(4) The student's estimated cost of attendance shall not exceed the estimated cost of attendance of all students in like circumstances pursuing a similar curriculum at that school.

(b) *Non-student borrower.* An eligible nonstudent may borrow amounts under this authority with the following restrictions:

(1) In no case may an eligible nonstudent borrower receive a loan that is greater than the sum of the HEAL insurance premium plus the interest that is expected to accrue and must be paid on the borrower's HEAL loans during the period for which the new loan is intended.

(2) An eligible nonstudent in the field of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry,

or podiatric medicine may borrow up to \$80,000 under this part including loans obtained while the borrower was a student. The loan amount may not exceed \$20,000 in any 12-month period.

(3) An eligible nonstudent in the field of pharmacy, public health, chiropractic, health administration, or clinical psychology may borrow up to \$50,000 under this part including loans obtained while the borrower was a student. The loan amount received under this part may not exceed \$12,500 in any 12-month period.

[48 FR 38988, Aug. 26, 1983, as amended at 51 FR 30644, Aug. 28, 1986; 52 FR 746, Jan. 8, 1987; 57 FR 28794, June 29, 1992]

**§ 60.11 Terms of repayment.**

(a) *Commencement of repayment.* (1) The borrower's repayment period must begin the first day of the 10th month after the month he or she ceases to be a full-time student at a HEAL school. The 9-month period before the repayment period begins is popularly called the "grace period."

(i) *Postponement for internship or residency program.* However, if the borrower becomes an intern or resident in an accredited program within 9 full months after leaving school, then the borrower's repayment period must begin the first day of the 10th month after the month he or she ceases to be an intern or resident. For a borrower who receives his or her first HEAL loan on or after October 22, 1985, this postponement of the beginning of the repayment period for participation in an internship or residency program is limited to 4 years.

(ii) *Postponement for fellowship training or educational activity.* For any HEAL loan received on or after October 22, 1985, if the borrower becomes an intern or resident in an accredited program within 9 full months after leaving school, and subsequently enters into a fellowship training program or an educational activity, as described in § 60.12(b)(1) and (2), within 9 months after the completion of the accredited internship or residency program or prior to the completion of such program, the borrower's repayment period begins on the first day of the 10th month after the month he or she ceases to be a participant in the fellowship

training program or educational activity. Postponement of the commencement of the repayment period for either activity is limited to 2 years.

(iii) *Non-student borrower.* If a nonstudent borrower obtains another HEAL loan during the grace period or period of internship, residency, or deferment (as defined in § 60.12), the borrower must begin to repay this loan when repayment on the borrower's other HEAL loans begins or resumes.

(2) An accredited internship or residency program must be approved by one of the following accrediting agencies:

(i) Accreditation Council for Graduate Medical Education.

(ii) Council on Optometric Education.

(iii) Commission on Accreditation of Dental and Dental Auxiliary Programs.

(iv) American Osteopathic Association.

(v) Council on Podiatry Education.

(vi) American Council on Pharmaceutical Education.

(vii) Council on Education for Public Health.

(viii) American College of Veterinary Surgeons.

(ix) Council on Chiropractic Education.

(b) *Length of repayment period.* In general, a lender or holder must allow a borrower at least 10 years, but not more than 25 years, to repay a loan calculated from the beginning of the repayment period. A borrower must fully repay a loan within 33 years from the date that the loan is made.

(1) For a HEAL borrower who received any HEAL loan prior to October 22, 1985, periods of deferment (as described in § 60.12) are not included when calculating the 10 to 25 or 33 year limitations.

(2) For a borrower who receives his or her first HEAL loan on or after October 22, 1985, periods of deferment (as described in § 60.12) are included when calculating the 33 year limitation, but are not included when calculating the 10 to 25 year limitation.

(c) *Prepayment.* The borrower may prepay the whole or any part of the loan at any time without penalty.

(d) *Minimum annual payment.* During each year of repayment, a borrower's